

VZCZCXRO7054
OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW
DE RUEHNE #3844/01 2341228
ZNY CCCCC ZZH
O 221228Z AUG 07 ZDK
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7759
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 6485
RUEHBY/AMEMBASSY CANBERRA 1247
RUEHLO/AMEMBASSY LONDON 4182
RUEHMO/AMEMBASSY MOSCOW 2329
RUEHGP/AMEMBASSY SINGAPORE 2103
RUEHTV/AMEMBASSY TEL AVIV 0611
RUEHKO/AMEMBASSY TOKYO 5263
RUEHJM/AMCONSUL JERUSALEM 0152
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON C
RHHMUNA/HQ USPACOM HONOLULU HI
RUCNDT/USMISSION USUN NEW YORK 5285
RUEHGV/USMISSION GENEVA 7202
RUEKJCS/JOINT STAFF WASHDC
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 003844

SIPDIS

SIPDIS

E.O. 12958: DECL: 08/22/2017
TAGS: [PREL](#) [PGOV](#) [MOPS](#) [MARR](#) [KISL](#) [KWBG](#) [KPAL](#) [ELTN](#) [AS](#)
IS, SN, BT, PK, IN
SUBJECT: DELHI DIARY, AUG 04-22

Classified By: Acting PolCouns Atul Keshap for Reasons 1.4 (B,D)

11. (U) Below is a compilation of political highlights from Embassy New Delhi for August 4-22, 2007 that did not feature in our other reporting, including:

- MEA Opens a 22-year-old "Rulebook" to Keep Other Government Entities Out of Foreign Affairs
- Indo-Pak Border to Open for Trade October 1?
- Aussie Navy Chief Continues to Step Up Indo-Australian Military Ties During Five Day Visit
- Indian Delegation of Muslim Leaders Witnesses Rocket Attacks While Visiting Israel
- Another Bomb Found, Safely Defused In Bhutan

MEA Opens a 22-year-old "Rulebook" to Keep Other Government Entities Out of Foreign Affairs

12. (U) According to an "Indian Express (IE)" report Aug. 18, Ministry of External Affairs (MEA) Foreign Secretary Shiv Shankar Menon recently reiterated to Indian Central Government Ministries and state governments that the MEA is the only Indian entity with the right to "officially interact" with foreign governments, multilateral organizations or their missions in New Delhi. Menon reportedly sent a note August 3 to all Secretaries to the Government of India (GOI) and Chief Secretaries of all state governments, copying the Cabinet Secretary, stating that "direct correspondence with foreign states violates the established norms of interaction with foreign governments." Attached to the letter was a twelve-page set of instructions from 1985, spelling out the "Channels of Communications between the Government of India and state governments on the one hand and foreign governments and their missions in India and international organizations on the other," according to the "IE," which reported that the document was so outdated that it referred to apartheid in South Africa.

13. (U) In addition, the letter stipulated that foreign tradQ

inquiries about the production or development of certain products "should be shared after consultation with the Intelligence Bureau," which is entitled to seek counsel from the Director General of Military Intelligence and the MEA, according to the media. Menon cited "several recent instances of certain junior officials in Central Government Ministries corresponding with foreign governments without going through the MEA or its missions abroad," as well as "cases of ministers in the state government writing directly to foreign governments seeking foreign aid without the consultation of the MEA or the Central ministries or missions abroad, said the "IE." "Some of these communications have caused embarrassment and were not acted upon by the foreign governments who sent Qem back to the appropriate Indian authority," Menon reportedly wrote.

¶4. (C) MEA Americas Joint Secretary Gaitri Kumar indicated to PolCouns Aug. 21 that Menon's statements were a reaction to some of India's 28 states having taken foreign policy matters into their own hands, and having tried to enter into agreements with foreign governments to negotiate foreign assistance arrangements directly. PolCouns noted that, while the USG drew the line at allowing states to carry out an independent foreign policy, they were not prevented communication among states and foreign entities. Kumar restated that the MEA is the only window through which foreign governments and multilateral organizations could interact with the GOI, staunchly defending Menon's edicts.

¶5. (C)COMMENT: This 22-year-old "rulebook" is evidence of the lingering paranoia of the Indian system, a throwback to the Soviet era, and surprisingly unreflective of India's current efforts at globalization. Post suspects that the MEA

NEW DELHI 00003844 002 OF 004

is in knee-jerk reaction mode, responding to a turf war with other agencies, entities, and states. Felix Dzerzhinsky would be proud. END COMMENT.

Indo-Pak Border to Open for Trade October 1?

¶6. (U) For the first time since Partition, India and Pakistan will soon allow cargo vehicles to cross the Indo-Pak border, according to media reports. Currently, goods are brought up to the Wagah/Attari border in Punjab on either side and laborers then carry these across on foot to be loaded onto waiting trucks. This process is very cumbersome and costly and the two countries have been discussing how to simplify it. According to media, starting October 1, both sides will allow trucks from either side to go to designated points at the Wagah/Attari border for unloading of cargo. Both sides have agreed to establish a hotline between customs authorities at the border and introduce a system of computerized single-entry permits for the truck drivers. Initially, the trucks will be limited in size to ten-wheelers with travel hours from 7am to 2pm. Both countries have agreed to open a dedicated cargo gate soon, and when that happens, officials reportedly said, the time and size restrictions will cease.

¶7. The proposal for launch of the truck service was reportedly discussed at the Commerce Secretary-level meetings in Delhi on July 31-August 1, between Indian Commerce Secretary G.K. Pillai and his Pakistani counterpart Syed Asif Ali during the Fourth Round of India-Pakistan talks on Economic and Commercial Cooperation within the framework of the Composite Dialogue. During the talks, the two countries agreed to enhance commercial ties and raise bilateral trade five times to 10 billion dollars by 2010 from the current 1.67 billion dollars in 2006-07, according to media reports. Since 2004, India and Pakistan have increased cross-border transport links by adding several bus routes including the "Friendship Bus" connecting Srinagar, capital of Indian-held Kashmir, with Muzaffarabad, administrative headquarters of Pakistan controlled Kashmir. The South Asian neighbors

launched a bus link between New Delhi and Lahore in 1999, but the service was suspended following a deadly raid on India's Parliament in December 2001 which India blamed on Pakistan-based militants. The link was restored in 2003 when relations between the neighbors began to improve.

¶8. (C) COMMENT: Allowing the trucks to cross the border to the customs point is certainly an incremental step towards greater trade liberalization, but will only improve efficiency marginally since the trucks still have to be unloaded and reloaded for further transport. The next step would be to allow Indian and Pakistani trucks further inland, possibly even to Lahore and Amritsar, where they could unload directly at warehouses and distribution points. By making these changes, both India and Pakistan can take advantage of the potential gains from greater bilateral and regional trade. The fear of terrorism launched from the other side keeps India cautious. END COMMENT.

Aussie Navy Chief Continues to Step Up Indo-Australian Military Ties During Five Day Visit -----

¶9. (C) Australian Navy Chief Vice-Admiral Russ E. Shalders started a five-day visit to India Aug. 20, reportedly meeting Indian Navy Chief Admiral Sureesh Mehta on the first day of his visit. According to Steven Brinton, Assistant to the Defence Attache of the Australian High Commission, Shalders will be making "all the usual calls in Delhi," including the chiefs of the army and air force and new Defence Secretary Vijay Singh. Shalders is scheduled to visit the eastern naval command headquarters at Visakhapatnam and the western

NEW DELHI 00003844 003 OF 004

naval headquarters in Mumbai, according to Brinton, as part of what he termed a "liaison and goodwill" visit. According to media reports, Indian naval officials will travel to Australia later this year as observers of two multinational naval exercises - Operations Kakadu and Pacific Reach, the latter of which will be focused on submarine rescue operations and will include China and Pakistan. Shalders' visit comes two weeks ahead of the Malabar 07-2 naval exercises which are being held in the Bay of Bengal September

¶4. India and Australia are expected to participate along with Singapore and the U.S.

Indian Delegation of Muslim Leaders Witnesses Rocket Attacks While Visiting Israel -----

¶10. (U) An Indian delegation of Muslim leaders visiting the southern Israeli city of Sederot reportedly witnessed rocket attacks from Gaza and was rushed to a shelter house behind the mountains. The delegation, which visited Israel on the invitation of the American Jewish Committee (AJC) and the Australian Israel Jewish Affairs Council, was just 800 meters away from the Gaza border when the rocket attack occurred, according to the press. "We were just watching the Gaza strip from the top of a mountain when the rockets were fired from the Hamas controlled territory," Ilyasi, General

Secretary of the All India organization of Imams of Mosques, was quoted by the media. The Muslim leaders' visit to Israel, touted by some press outlets as part of AJC's efforts to showcase Israel as a tolerant society and to improve Muslim-Jewish relations, follows a trip to India earlier this year by Jewish rabbis for an inter-faith meeting. The delegation, which is expected to meet with President Peres and Foreign Minister Livni, was criticized in India's Urdu press, with one Urdu daily alleging that the delegation members would "sell the sentiments of 40 million Indian Muslims to their Zionist masters." Sirajuddin Qureshi dropped out of the delegation after the negative press reports hit the stands, according to the media. Post will follow up shortly with a snap-shot of the current state of Indo-Israeli affairs.

Another Bomb Found, Safely Defused In Bhutan

¶11. (U) The Bhutanese media stated that a bomb was found August 10 in a five-story building in Phuentsholing, a town on the Indian border in Southern Bhutan. According to the press, the bomb, located in a building across from a hotel, was safely removed and inspected by an Indian bomb disposal expert and detonated with the assistance of Bhutanese police. This brings the total count to six bombs found in Bhutan in the past ten months, five of them in Phuentsholing. Bhutanese media reported in June that Bhutanese police believe the Bhutan Tiger Force, the militant wing of the Nepal-based Communist Party of Bhutan, is responsible for all of the bombing incidents inside Bhutan since October 2006.

¶12. (U) Timeline of recent bomb incidents in Bhutan:

¶1. October 2006: Two bombs were defused in the Bhutanese city of Phuentsholing on the Indian border.

¶2. December 5, 2006: A bomb exploded in Phuentsholing, wounding three civilian workers and one security guard.

¶3. March 12, 2007: An IED was found below a culvert on the road between Pasakha and Tala. Police safely destroyed the bomb, and found leaflets nearby written by an organization identified as the militant wing of the Communist Party of Bhutan in Nepal.

¶4. May 21, 2007: A bomb exploded in a parked bus in Phuentsholing) none injured.

¶5. May 28, 2007: An IED was found below a culvert on the road between Phuentsholing and Thimpu) the bomb was safely

NEW DELHI 00003844 004 OF 004

defused.

¶6. August 10, 2007: Bhutanese police find bomb in a five-story building in Phuentsholing) police safely removed and detonated the bomb.

WHITE